

Addendum 5

August 18, 2011

PON-10-604

GRANT SOLICITATION APPLICATION PACKAGE

Buy Down Incentives for Natural Gas and Propane Vehicles

The purpose of this Addendum is to (1) require any intermediary dealer or distributor used by an applicant OEM to be located in California, (2) define “school bus”, (3) no longer accept reservations for natural gas vehicles received after July 7, 2011, until new funds are added for those vehicles in a subsequent addendum, (4) clarify and allow a one-time extension for the 180-day deadline to submit supporting documentation for claims on purchase orders, (5) add a term on confidentiality to the Terms and Conditions, (6) clarify reporting requirements for claims, (7) add a new claim form for claims on purchase orders, and (8) make clarifying changes to forms.

This Addendum supersedes Addendum 3.

Changes to the Terms and Conditions apply to all buy-down incentive reservations.

Changes to the Application Manual only apply to applications submitted after July 7, 2011.

Application Manual

6. Eligible Applicants

This PON is open to original equipment manufacturers (OEMs). OEMs may designate vehicle dealers and distributors that are located in California to apply on their behalf. In this case, the dealer and distributor must submit with the reservation form a letter signed by the OEM designating them as their agent for this the purpose of this PON. The letter must clearly state that the specific dealer or distributor has been approved by the OEM to apply for incentive funds. In addition, the OEM must delineate the amount of incentives and funding being designated to the dealer(s)/distributor(s) in each letter. If it does not, the reservation process will be held up until the designation has been made clear. If an OEM designates multiple dealer(s)/distributor(s) as their agent, the OEM is still subject to the maximum reservations listed in Section 8 of this PON.

If the OEM, as an applicant, sells eligible vehicles indirectly through a dealer or distributor rather than directly to purchasers, the dealer or distributor must be located in California.

7. Eligible Vehicles

Incentives are available through this PON only for **new on-road natural gas and propane** vehicles that **meet all emission requirements** of the Air Resources Board (ARB) and that **are fully warranted** by the original equipment manufacturer. The ARB maintains a complete list of all vehicles that are certified and approved for sale in California. This list is located on the ARB website at <http://www.arb.ca.gov/msprog/onroad/cert/cert.php>. To be eligible, a given vehicle must be on this list as certified or approved for that model year; however, **all heavy-duty vehicles must be certified to 2010 ARB emission standards.**

For purposes of this solicitation, a “school bus” means the same as defined in California Vehicle Code section 545.

8. Funding Information

The maximum funding available for all incentives in this PON is \$14,540,000. The Energy Commission reserves the right to increase funding in this PON up to \$30,000,000. Incentive reservations are available on a first-come, first-served basis.

The maximum funding available through this PON by vehicle fuel type and weight is as follows, although the Energy Commission may redirect funds between categories as demand requires:

- \$10,190,000 for natural gas vehicles, excluding school and transit buses
- \$2,350,000 for propane vehicles, excluding school and transit buses
- \$2,000,000 for propane school buses

The Energy Commission is not accepting buy-down incentive reservations submitted after July 7, 2011, for natural gas vehicles until additional funds are added to the funding category through an addendum to the PON.

The tables below show the available incentive amounts by vehicle type and gross vehicle weight (GVW).

Natural Gas and Propane Vehicles

GVW (lbs)	Incentive Amounts	
	Natural Gas	Propane
Up to 8,500	\$3,000	\$3,000
8,501 – 14,000	\$8,000	\$6,000
14,001 – 26,000	\$20,000	\$10,000
26,001 & greater	\$32,000	

Propane School Buses

GVW (lbs)	Incentive Amounts
Up to 14,000	\$15,000
Greater than 14,000	\$20,000

Applicants may apply for more than one incentive using a single reservation form (For more information, please refer to Application Process below). The maximum incentive amount that may be requested by any one OEM with a single reservation is:

- Up to \$575,000 per reservation for natural gas and propane vehicles up to 26,000 lbs GVW
- Up to \$575,000 per reservation for propane vehicles up to 26,000 lbs GVW.
- Up to \$1,300,000 per reservation for natural gas vehicles greater than 26,000 lbs GVW
- Up to \$500,000 per reservation for propane school buses.

For OEMs that designate a vehicle dealer/distributor to apply as their agent for reservations, the sum of the reservation amounts requested by the OEM-designated vehicle dealers or distributors cannot exceed the maximum incentive amount that can be requested by a single OEM.

The Energy Commission will close this PON on April 1, 2013, or when all the available funds have been exhausted, whichever occurs first.

11. Monthly Report and Invoice

Applicants must submit a monthly status report to the Energy Commission documenting cumulative information on:

- Number of eligible vehicles sold
- Number of eligible vehicles on order
- Number of eligible vehicles delivered
- Number of expected sales in the following month

Applicants must include the Buy-Down Incentive Payment Claim Form (Attachment D) and required documentation to request payment for each eligible vehicle sold and delivered during the reporting period with the monthly status report. Applicants must be current on monthly reporting requirements in order to receive payment on a claim.

Reservations expire after 120 days or when the applicant receives payment for the total amount of incentives reserved, whichever is sooner. Should the expected sales associated with each reservation not materialize before the 120-day deadline, the applicant may re-apply for additional incentive reservations, as long as funds are still available in this PON.

Terms and Conditions

13. Payment of Incentives

The Energy Commission agrees to reimburse the Applicant only for actual incentives issued by the Applicant based on the allowable incentive amounts specified in the PON.

a. Payment Requests

The Applicant may request payment from the Energy Commission at any time during the term of this Agreement although it is preferred that payment requests be submitted with the monthly progress reports. The final payment request must be received by the Energy Commission no later than thirty (30) days after the expiration date of this Agreement.

Payments will be made only on a reimbursement basis after the Applicant has submitted and the Commission Incentive Manager has approved the documentation required under the PON.

b. Documentation

All payment requests must be submitted using a completed Buy-Down Incentive Payment Claim Form (Attachment D). This form must be accompanied by:

- (1) copy of the sales documents that show the vehicle identification number; model year, make, model, and engine family/test group, and ARB Executive Order number; actual sales amount-purchase price; including all incentives, rebates, or buy downs and all applicable state and federal taxes; purchase date; purchaser name, address, and contact information; and purchaser or purchaser representative's signature acknowledging acceptance of vehicle delivery ; and
- (2) copy of completed California Department of Motor Vehicles registration form that shows the vehicle identification number and that the vehicle is registered in California.

For vehicles of 14,000 lbs. gross vehicle weight or greater, the Energy Commission may authorize payment based on a Buy-Down Incentive Payment Claim Form -180 accompanied by a purchase order showing all of the information required in (1), above the following:

Copy of the sales documents that show as much of the vehicle identification number as is available; model year, make, model, engine family/test group and ARB Executive Order number; actual purchase price; all incentives, rebates, or buy downs and all applicable state and federal taxes; purchase date; purchaser name, address, and contact information; and a certification that the purchaser will register and commit to operate the vehicle for three (3) years in California.

Upon delivery of the vehicle to the Purchaser, ~~but in no event later than 180 days following the Applicant's submission of the Buy-Down Incentive Payment Claim Form,~~ Applicant must submit purchaser or purchaser representative's signature acknowledging acceptance of vehicle delivery and the information required in (2), above. Applicants are expected to submit the required additional information within 180 days following Applicant's submission of the Buy-Down Incentive Payment Claim Form - 180.

The Energy Commission may authorize a limited extension of the 180-day period on a showing of good cause. Any request for an extension should

be submitted in writing and include the number of vehicles remaining, the amount of additional time needed, and the reason for the need.

Failure to comply with the 180-day deadline or any extension granted to that deadline ~~do so~~ will result in the Applicant reimbursing the incentive amount in full to the Energy Commission within thirty (30) days of the elapsed deadline, and may result in termination of this Agreement, removal of Applicant's eligibility for the program, and a debarment action to preclude future incentives and awards.

Any payment request that is submitted without this documentation will not be authorized. If the documentation is incomplete, inadequate, or inaccurate, the Commission Incentive Manager will inform the Applicant and withhold the payment request until all required information is received or corrected. Any penalties imposed on the Applicant because of delays in payment will be paid by the Applicant.

- c. State Controller's Office

Payments are made by the State Controller's Office.

21. Confidentiality

- a. Information Considered Confidential

Confidential Information is information designated confidential pursuant to the procedures specified in 20 CCR 2505.

- b. Submittal of Unanticipated Confidential Information

It is possible that the Applicant may submit additional data or information not originally anticipated as confidential. In this case, Applicant shall follow the procedures for a request for designation of Confidential Information specified in 20 CCR 2505. The Energy Commission's Executive Director makes the determination of confidentiality.

- c. Disclosure

The Energy Commission may disclose information that is not Confidential Information. Disclosure of Confidential Information by the Energy Commission may only be made pursuant to 20 CCR 2506 and 2507. All confidential data, records or deliverables that are legally disclosed by the

Recipient or any other entity become public records and are no longer subject to the above confidentiality designation.

d. Information Practices Act

The Energy Commission acknowledges that some of the information submitted, such as an individual's name and address, may be "personal information," subject to the Information Practices Act. This information will only be maintained and used by the Energy Commission to contact individuals for program management and auditing purposes and may only be disclosed pursuant to the limitations of the Act.